

2006-2007 PERFORMANCE PLAN – SENIOR PORTFOLIO MANAGER, External Equities (Cottrill)

Quantitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Global Equity Performance	Excess return in basis points relative to Global Equity performance benchmark: (GLOBLIC – CPERSGE2)	-50 basis points = 0 -10 basis points = 1.0 +15 basis points = 1.5
15%	External International Active Equity Managers	Excess return in basis points relative to International Equity, external – Customized benchmark created from investment-weighted regional indices. (SJNKA1 – QX73)	0 basis points = 0 +60 basis points = 1.0 +120 basis points = 1.5
10%	External Emerging Markets Equity Managers	Excess return in basis points relative to: CalPERS FTSE All Emerging Index: (SWYCA vs. QQ72)	0 basis points = 0 +60 basis points = 1.0 +120 basis points = 1.5
10%	External International Enhanced Indexing Equity Managers	Excess return in basis points relative to: International Equity, external – Customized benchmark created from investment-weighted indices (SHDKA1 vs. VYG2)	0 basis points = 0 +30 basis points = 1.0 +60 basis points = 1.5
10%	External Domestic Enhanced Indexing Equity Managers	Excess return in basis points relative to: Aggregate Style benchmark (SNPCA1 vs. CPERSNP2)	0 basis points = 0 +25 basis points = 1.0 +50 basis points = 1.5
10%	External Domestic Active Equity Managers	Excess return in basis points relative to: Aggregate Style benchmark (SWAKA1 vs. CPERSWAK)	0 basis points = 0 +50 basis points = 1.0 +100 basis points = 1.5
10%	Total Fund Performance	Excess return in basis points relative to: Total Fund performance benchmark (SJ1CA1 vs. CPERSTO2)	> -40 basis points = 0 > 0 basis points = 1.0 > +20 basis points = 1.5
5%	External International Equity Index Fund	Return deviation in basis points relative to: CalPERS FTSE Developed Markets Ex – US Index (SW7G vs. QR32)	> -60 basis points = 0 > -40 basis points = 1.0 > -20 basis points = 1.5
85%	Subtotal	Quantitative Measures	

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Qualitative Performance Measures

Weight	Factor	Performance Measure	Incentive Schedule
15%	Leadership	Demonstrate leadership within CalPERS and in the external investment community.	From Schedule
15%	Subtotal	Qualitative Measures	
100%	Total	Quantitative & Qualitative Measures	

Supervisor's Approval: *Original signed by Christy Wood*

Date: *June 7, 2006*